

**EXHIBIT 16**



## State of New Jersey

Department of Environmental Protection

Richard J. Codey  
Acting Governor

Bradley M. Campbell  
Commissioner

Bureau of Risk Management Initial Notice & Case Assignment  
Industrial Site Recovery Act Unit  
PO BOX 435  
401 East State Street  
Trenton, NJ 08625-0435

Certified Mail 7003 3110 0003 5033 6456

Return Receipt Requested

Mr. Paul J. Norris, CEO  
W.R. Grace & Co. - Conn.  
7500 Grace Drive  
Columbia, MD 21044

MAY 3 2005

Charles Warren, Esq.  
Bryan, Cave et al.  
1290 Avenue of the Americas  
New York, NY 10104

Re: Former W.R. Grace & Co. - Conn. Grace Construction Products  
Location: 15 Industrial Drive, Hamilton Township, Mercer County  
Former: Block: 46 Lot: 3  
Current Block 1581 Lots 19.01 and 19.02  
ISRA Case # E94651

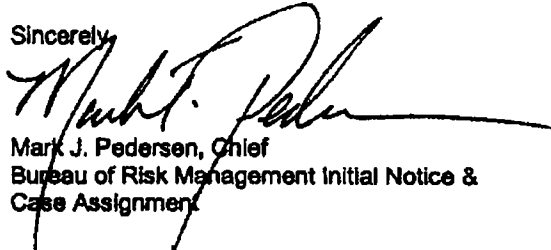
Dear Messers Norris and Warren:

On August 21, 1995, a No Further Action (NFA) approval was issued to W.R. Grace Construction Products for the above referenced facility. The event that brought this matter to the attention of the New Jersey Department of Environmental Protection (NJDEP) was the cessation of "vermiculite manufacturing operations" by W.R. Grace. New Jersey's Industrial Site Recovery Act requires an environmental assessment of a property at the time of a cessation of operations by an Industrial Establishment. The August 21, 1995 NFA approval was amended on November 15, 1995 at the request of the property owner, National Railroad Passenger Corporation - Amtrak, to authorize the sale of the property since the site had remained vacant after W.R. Grace ceased operations. The NFA approval was based on the certified information provided to the Department concerning the satisfactory completion of a Preliminary Assessment (PA) in accordance with the Technical Requirements for Site Remediation, N.J.A.C. 7:26E. W.R. Grace advised in the PA that the vermiculite ore processed on site contained less than 1% asbestos and was therefore non-hazardous. W.R. Grace also advised that there was no indication of on-site disposal of any material. This information was certified as true and accurate by Jay H. Burrill, Environmental Coordinator and Robert Bettacchi, Vice President of W.R. Grace & Co.

The Department has recently been made aware of asbestos contamination in the soil surrounding the site at concentrations far exceeding the maximum 1% levels reported by W.R. Grace officials within the W.R. Grace PA. In this regard, a review of historical aerial photographs and ongoing investigations by the USEPA and NJDEP have confirmed that there was on site disposal of asbestos containing materials in concentrations far above the 1% levels reported by W.R. Grace officials in the PA. W.R. Grace failed to incorporate this information in the PA. Therefore, the Department hereby notifies W.R. Grace, as the former operator, and Amtrak, as the property owner, that the August 21, 1995 NFA approval letter and the amended November 15, 1995 NFA approval letter are rescinded. Within 120 days of receipt of this letter, W.R. Grace & Co. - Conn. and Amtrak shall conduct a Preliminary Assessment and Site Investigation (PA/SI) of the site that comprehensively and accurately addresses all areas of concern and submit a PA/SI Report with the appropriate review fees to the Department.

If you should have any questions regarding this matter, please contact Joshua Gradwohl of my staff at (609) 292-0408.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark J. Pedersen", written over the typed name and title.

Mark J. Pedersen, Chief  
Bureau of Risk Management Initial Notice &  
Case Assignment

C: Robert A Emmett, Esq. – W.R. Grace & Co. – Conn.  
Joshua Gradwohl, NJDEP